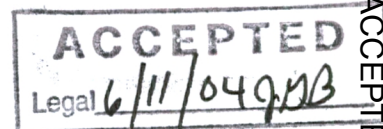
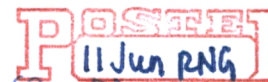




STATE OF SOUTH CAROLINA
Before the
SOUTH CAROLINA PUBLIC SERVICE COMMISSION



S.A. 5
Legal 1



In the Matter of the Application of **Clarion**)
Telecommunications, Inc. for a Certificate of)
Public Convenience and Necessity to Provide Resold)
Local Services.)

No. 04.167.C

SC PUBLIC SERVICE
COMMISSION
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APPLICATION OF CLARION TELECOMMUNICATIONS, INC.

Clarion Telecommunications, Inc. ("Clarion" or "Applicant"), pursuant to S.C. Code Ann. § 56-9-280 and 56-9-520, and Section 253 of the Telecommunications Act of 1996, 47 U.S.C. § 253 (1996), respectfully submits this application for Authority to Provide Resold Local Exchange Telecommunications Service offerings similar to that approved by Order No. 98-165 in Docket No. 97-467-C ("Application").

Applicant proposes to offer resold local exchange services to residential and/or business customers throughout the geographic service territory of Incumbent Local Exchange Carriers ("incumbent LECs"). Should its Application be granted, Applicant plans to commence offering service immediately upon the execution of the appropriate and necessary interconnection agreement(s) with the appropriate incumbent LEC(s). Approval of this Application will be beneficial to the public interest by increasing the level of competition in the South Carolina telecommunications market. Ultimately, competition will compel all telecommunications service providers to operate more efficiently and pass on the resultant cost savings to customers. In addition, as a result of competition, the overall quality of local exchange service will improve.

In support of its Application, Applicant states as follows:

1. **Introduction**

1. The name and address of the Applicant are:

Clarion Telecommunications, Inc.
120 W Richardson Ave
Summerville, SC 29483
Ph. (843)832-2201
Fax (843)832-2205

2. All correspondence, notices, inquires and other communications regarding this Application should be directed to:

Edward Madden Anson
P.O. Box 154
Folly Beach, SC 29439
Ph. (843)442-8813
Fax (843)832-2205
E-Mail: ansoned@bankdp.com

With copies to local counsel:

Graham P. Powell
Elmore & Wall, P.A.
145 King Street, Suite 302
P.O. Box 1200
Charleston, SC 29402
(843) 329-9500
(843) 329-9501 (fax)
graham.powell@elmorewall.com

3. The Company's contact person for ongoing operations is:

Edward Anson, President
Clarion Telecommunications, Inc.
P.O. Box 154
Folly Beach, SC 29439
Ph. (843)442-8813
Fax (843)832-2205

3. In support of this Applicant, the following exhibits are attached hereto:

Exhibit A: Officers, Board of Directors and Major Shareholders

Exhibit B: Articles of Incorporation

Exhibit C: Financial Information

Exhibit D: Managerial Profiles

Exhibit E: Proposed Tariff for Local Exchange Services

II. Description of the Applicant

1. General Information

- a. Clarion is a telecommunications company that has been organized to provide competitive local services to business and/or residential customers. The Company is headquartered in Summerville, South Carolina, and its Primary Customer Service Department is located there.
- b. Clarion is a South Carolina corporation authorized to transact business in South Carolina. The Company is certified with and currently in good standing with the South Carolina Secretary of State.

2. Customer Service

- a. Customer Service representatives will be available to assist its customers during normal business hours (9:00 a.m. to 6:00 p.m. Monday through Friday; 10:00 a.m. to 3:00 p.m. Saturday). Customers can reach the Company's Customer service Center by calling 1-800-313-0741. This toll free number is printed on customers' billing statements. Customers wishing to communicate with customer service representatives in writing may send written correspondence to:
Clarion Telecommunications, Inc.
Attn: Customer Service
120 W Richardson Ave
Summerville, SC 29483

- b. The Company's customer service representatives are prepared to respond to a broad range of service matters, including: (1) the types of services offered, and the rates associated with such services; (2) monthly billing statements; (3) problems or concerns pertaining to a customer's current service; and (4) general telecommunications matters.

III. **Technical Managerial and Financial Expertise Necessary to Provide Local Exchange Service**

Clarion's management team has the requisite financial and managerial expertise to operate a competitive telecommunications provider. Profiles of the Company's management personnel are attached as Exhibit E. A more detailed explanation of these capabilities is as follows:

1. **Financial Qualifications**

- a. The Applicant possesses adequate financial capitalization to conduct the business which it is proposing on a continuous basis.
- b. The Company will also strictly monitor its expenses, institute effective cost controls and keep its selling, general and administrative ("SG&A") expenses as a percentage of gross revenues equal to if not better than the industry average. Therefore, the Company intends to have successful ongoing operations in the near future.

2. **Managerial Qualifications**

The Company's management team is highly skilled, having acquired considerable experience in the telecommunications industry and other business ventures, as evidenced by the management profiles submitted with this application (Exhibit D).

3. **Technical Qualifications**

- a. The Company will operate as a provider of resold local exchange services which will be routed over the networks of its underlying carriers. As a result, the quality of service provided to customers is, at a minimum, equivalent to that of the underlying service providers which meet all necessary quality of service standards. In addition, the Applicant's management team has extensive experience within the telecommunications fields, including technical experience.

- b. As the foregoing illustrates, the Company possesses the technical expertise necessary to successfully operate as a local exchange provider within the State of South Carolina.

IV. **Approval of Application is in the Public Interest**

1. Increased competition results in a reduction of the prices consumers pay for goods and services. When competition is introduced into markets, the consumer benefits by a way of efficient pricing, improved service quality and expanded product and service capabilities.
2. The objective of the Federal Telecommunications Act of 1996 is to foster the development of competition in the local exchange market so that consumers will be afforded the foregoing benefits. Pursuant to the Act, barriers to local service entry are prohibited and parameters for competition in local exchange markets are established. Because the Company will be able to offer a broad range of services to customers wherever the incumbent LEC(s) offer appropriate wholesale tariffs, the Company's entry into the local service market will serve to foster competition.
3. Granting this Application is consistent with the S.C. Code Ann. § 58-9-280, and, in that regard Applicant makes the following representations to the Commission:
 - a. Applicant possesses the technical, financial, and managerial resources sufficient to provide the services requested;
 - b. Applicant's local services will meet the service standards required by the Commission;
 - c. The provision of local services by Applicant will not adversely impact the availability of affordable local exchange service;
 - d. Applicant, to the extent it is required to do so by the Commission, will participate in the support of universally available telephone service at affordable rates; ands
 - e. The provision of local services by Applicant will not adversely impact the public interest.
4. The demands of a competitive market are a better means to achieve affordability and quality of service than a monopolistic environment. As competitors vie for market share, they will compete based upon price, innovation and customer service. Those providers that offer consumers the most cost effective products will gain market share. In contrast, providers whose products do not meet the needs of consumers will lose market share and ultimately be eliminated from the industry.

V. **Description of Services Offered and Service Territory**

The Company intends to offer resold local services to customers as more specifically defined in its attached tariffs. Prior to providing services in South Carolina, the Company will file Final Tariffs with the Commission.

The Company will offer all services on a twenty-four hour per day, seven day per week basis. Local exchange services will be provided in the geographic areas covered by its interconnection agreement(s) with South Carolina ILEC's. Local exchange services will not be provided to customers located in a rural incumbent's local exchange service areas without a thirty day (30) advance notice.

VI. **Waivers and Regulatory Compliance**

The Company requests that the Commission grant it a waiver of those regulatory requirements inapplicable to competitive local service resellers such as the Applicant.

1. **Financial Record-Keeping System**

- a. The Company requests that it be exempt from any record keeping rules or regulations that might require a carrier to maintain its records in conformance with the Uniform System of Accounts ("USOA"). The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. The Company asserts that because it utilizes GAAP, the Commission will have a reliable means by which to evaluate operations. Therefore, the Company hereby requests to be exempt from any USOA requirements of the Commission.

2. **Local Exchange Directories**

- a. The Company requests that it not be required to publish local exchange directories. The Company will make arrangements with the Incumbent LEC(s) whereby the means of its customers will be included in the directories published by the incumbent LEC(s). LEC directories will also be modified to include the Company's customer service number. These directories will be distributed to the Company's customers. It would be an unnecessary burden on the Company to require that it publish and distribute its own directory to all customers located within each exchange area, particularly since all of these customers will be customers of the incumbent LECs. It is more efficient for the Company to include its limited

customer list in the existing directories of the incumbent LECs.

3. Reporting Requirements

- a. The Company further requests waivers of any reporting requirements which, although applicable to incumbent LECs, are not applicable to competitive providers such as Applicant because such requirements: (1) are not consistent with the demands of the competitive market; or (2) they constitute an undue burden on a competitive provider, thereby requiring an inefficient allocation of its limited resources. In addition, the Company reserves the right to seek any regulatory waivers which may be required for the Company to compete effectively in South Carolina local exchange services resale market.

VII. Interconnection Arrangements

The Company proposes to enter the local service marketplace with a resale offering via interconnection agreements established with incumbent LECs.

VIII. Conclusion

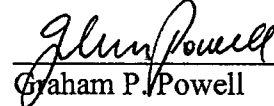
This Application demonstrates that the Company possesses the technical, financial and managerial resources to provide local exchange service within the State of South Carolina. Furthermore, granting this Application will promote the public interest by increasing the level of competition in the South Carolina telecommunications market. Ultimately, competition will compel all telecommunications service providers to operate more efficiently and pass the resultant cost savings on to consumers. In addition, as a result of competition, the overall quality of local exchange service will improve.

WHEREFORE, Clarion Telecommunications, Inc. requests that the South Carolina Public Service Commission issue a Certificate of Public Convenience and Necessity authorizing it to provide intrastate telecommunications services to the public as proposed herein and set forth in the attached tariff. Clarion Telecommunications, Inc. also requests that the Commission regulate its local exchange service offerings in accordance with the principles and procedures established in Order No. 98-165 in Docket No. 97-467-C. In addition, Applicant respectfully petitions this Commission for such other relief as it deems necessary and appropriate.

Dated this 28th day of May, 2004.

Respectfully submitted,

ELMORE & WALL, P.A.

A handwritten signature in cursive script, appearing to read "Graham P. Powell", is written over a horizontal line.

Graham P. Powell
145 King Street, Suite 302
P.O. Box 1200
Charleston, SC 29402
(843) 329-9500
Attorney for Clarion Telecommunications, Inc.